

## Case Study



### Naheola Credit Union

#### Credit Union Becomes Highly Efficient and Competitive by Managing Asset Liability in Real Time

Naheola Credit Union staff needed to simplify end-of-month reporting on asset liability. Using Wisdom™: Asset Liability Management from Fiserv, it streamlined the process and produced essential documents in about one-quarter of the time originally allocated.



#### Focus on Priorities

When Naheola Credit Union (NCU) started to look for an asset liability management (ALM) system several years ago, its priorities were pulling real-time financials, improving the balance sheet and imaging bills directly into the system to set up best practices for prepayments and fixed assets. After seeing a demonstration of all that Wisdom: Asset Liability Management could do, NCU implemented it during a conversion in October 2010. The real-time and branch accounting capability of the solution was the biggest draw. The credit union was especially pleased that this feature would enable NCU to reduce its use of cumbersome spreadsheets. The user friendliness of the solution was attractive as well. And Wisdom: Asset Liability Management integrated perfectly, basically overnight, with the credit union's account processing platform, Portico® from Fiserv.

NCU implemented Wisdom: Asset Liability Management because it needed to produce a concise board packet every month as well as to strengthen its asset-liability management. Jeffrey Hasty, COO at Naheola Credit Union, said, "We used to have various employees from several departments with the roles pertaining to month-end. The process at hand was compiling all of the various pieces of data



#### Client Profile

Naheola Credit Union, based in Pennington, AL, began by serving Georgia Pacific Paper Mill employees and their family members in that area in 1959. Now residents of 11 counties in the state are eligible to join the credit union. NCU has over \$104 million in assets and over 8,000 members. For more information, visit [www.naheola.com](http://www.naheola.com).

required to close the month. The entire process was quite cumbersome, and it would take us two to three weeks to collate all of the pertinent information, and this excludes quarters when the 5300 Call Report was due. Now with Wisdom: Asset Liability Management, all this same data is a few clicks away, and necessary reports are available in minutes.”

With the solution, the credit union can thoroughly analyze its financials at the end of each month. In only one to two days at the start of the following month, staff members simply input the appropriate data. NCU can then circulate board packets by the third day of that month. It can run real-time net economic value (NEV) reports with a simple point and click at any time, sort loans by type and forecast payback for the coming year. The speediness of the transfer also helps mitigate the risks of using outdated information. According to Hasty, “Every time we interact with the Wisdom team, there is always something new introduced that immediately impacts our credit union for higher efficiency.”

### **Competitive Comparisons**

In addition to helping NCU save time, Wisdom: Asset Liability Management enables a comparison with other credit unions by using data from the National Credit Union Association (NCUA) base. A peer-to-peer comparison that displays line-by-line details on loans, net worth, delinquency ratios and a host of other factors tells NCU its standing among credit unions that are comparable in size. The information also helps the credit union assess its safety and soundness related to asset liability in the industry.

Members also can see how NCU stacks up against other local credit unions. A display NCU can share with members shows current rates for NCU and its peers, providing a ranking that uses the NCUA database linked to Wisdom: Asset Liability Management. Members can see the figures for interest rates, net worth, delinquency ratio, total loans, return on assets (ROA) and loans to assets as well.

### **Ease of Use**

Another highlight of Wisdom: Asset Liability Management for NCU is the solution’s ease of use. Training on this user-friendly model is always available to employees, and they learn quickly. Wisdom: Asset Liability Management also provides the important data that NCU needs to produce NEV and income simulations for closely evaluating interest rate changes and their impact on the credit union’s capital. The ALM budget tool allows for historical data to help in compiling a budget for the credit union for the coming year, and pulling the credit union’s history for the previous month or year to prepare a budget is a simple procedure. NCU staff can easily project the needs for a future budget by plugging in earnings and other key metrics. The process for producing reports for examiners is a non-event, and the results are clear, which means that audits are now virtually painless.

Examiners also find it easy to access the information they need. They appreciate the accuracy, clarity and in-depth detail in the credit union’s books since NCU started using Wisdom: Asset Liability Management. Each quarter, NCU is one of the first credit unions to file a 5300 Call Report, doing so by the third day of the month.

## Reallocation of Resources

Because using Wisdom: Asset Liability Management requires less time and fewer employees (one or two as opposed to nearly the whole credit union staff previously) to produce regular reports, NCU can reallocate its resources, enabling the various departments to address other pressing concerns and activities. The credit union can thereby increase its focus on member relationships, both current and prospective. Staff can use the newly allotted time to more efficiently cross-sell products and greatly improve the branch experience for members.

## Real-Time Results

Naheola Credit Union implemented Wisdom: Asset Liability Management so it could increase efficiency in accounting and reporting, which it easily did. The solution integrated seamlessly with the Portico account processing system and has received enhancements over the years. The overall functionality and ease of use impressed the credit union, as did the capacity for real-time transactions and branch accounting. NCU employees can perform all their regular responsibilities without being stretched thin, and the credit union's books have never been more accurate and consistent.

In addition, the credit union appreciates the gained ability to see its ranking among peers. To attract and retain members, who also can view the comparisons, it can quickly revise its approach in any facet of the business. NCU can easily compare its performance with that of prior months and years as well. It can set budgets and compare actual earnings with forecasts, adjusting as necessary for better attainability. Its data presentation and forecasts have greatly improved over the past five years, and as an added bonus, examiners appreciate the accuracy and detail in the way books are laid out.

## Challenge

Naheola Credit Union needed a solution that enabled it to pull real-time financials, such as income statements and balance sheets, as well as a reliable reporting system. The credit union wanted the ability to image bills directly into the system, set up automated prepayments and view fixed assets. Reducing the use of spreadsheets was another driver to seeking a new way to manage asset liability.

## Solution

Wisdom: Asset Liability Management from Fiserv met the credit union's needs. All reports, whether common or advanced, are at staff's fingertips and ready for analysis in a matter of minutes with a simple point and click. Manually maintaining spreadsheets to track loans or net charge-offs is no longer necessary. With the new streamlined process, employees simply input data into the system to produce the desired reports.

## Proof Points

Since Naheola Credit Union implemented Wisdom: Asset Liability Management in October 2010, it has seen results such as the following:

- NCU used to need two or three weeks to produce month-end reports; it can now complete the process in one to three days
- Previously nearly the entire staff helped with daily, weekly, monthly and yearly accounting practices; now one or two employees could accurately run the entire accounting department, enabling others to focus on their primary responsibilities
- NCU can create and integrate reports with a simple click rather than manually produce them in spreadsheets
- Because Wisdom: Asset Liability Management improves the way data is presented, forecast and closed, examiners spend less time performing audits and disrupting operations than they did in the past

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### Connect With Us

For more information about Wisdom: Asset Liability Management, call 800-872-7882, email [getsolutions@fiserv.com](mailto:getsolutions@fiserv.com) or visit [www.fiserv.com](http://www.fiserv.com).



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